

Message Text

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PAGE 01 LONDON 11129 061739Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00
INRE-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03
NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 AID-05
COME-00 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06
LAB-04 EPG-02 SIL-01 OMB-01 /099 W
-----072964 061742Z /44

O R 061628Z JUL 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC IMMEDIATE 5859
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY ROME
USMISSION NATO
AMEMBASSY PARIS
USMISSION GENEVA
USNMR SHAPE
AMCONSUL BELFAST
AMCONSUL EDINBURGH

UNCLAS LONDON 11129

USEEC ALSO FOR EMBASSY
USOECN ALSO FOR EMBASSY

PASS TREASURY, LABOR, FRB

E.O. 11652: N/A
TAGS: ELAB, UK. PINT
SUBJECT: JONES AND GOVERNMENT'S PAY POLICY DEALT
STAGGERING BLOW

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REF: LONDON 11118

BEGIN SUMMARY. THE GOVERNMENT'S HOPES FOR A PAY AGREE-
MENT WITH THE TUC WERE DEALT A SURPRISING AND VERY
SEVERE, PERHAPS MORTAL, BLOW THIS AFTERNOON (JULY 6)
AS A RESULT OF THE DECISION BY BRITAIN'S LARGEST UNION,
THE TRANSPORT AND GENERAL WORKERS, TO "RETURN TO UN-

FETTERED COLLECTIVE BARGAINING FROM AUGUST 1ST." THE VOTE, BY A DECISIVE MAJORITY, CAME DESPITE A FERVENT PLEA FROM TGWU GENERAL SECRETARY JACK JONES THAT THE DELEGATES ACCEPT AN ORDERLY RETURN TO FREE COLLECTIVE BARGAINING WHICH WOULD HAVE HELPED TO PREVENT A WAGES EXPLOSION. END SUMMARY.

1. JONES WAS DEALT AN ALMOST UNPRECEDENTED DEFEAT SINCE HE BECAME GENERAL SECRETARY IN 1969 DESPITE A STRONG PLEA THAT THE 1000 DELEGATES VOTE FOR THE EXECUTIVE-SUPPORTED RESOLUTION WHICH CALLED FOR AN "ORDERLY RETURN" TO FREE COLLECTIVE BARGAINING. AFTER DEFEATING THIS MOTION, THE CONFERENCE DECISIVELY SUPPORTED A RESOLUTION MOVED BY THE UNION'S LEFT-WING WHICH CALLED FOR "RETURN TO UNFETTERED COLLECTIVE BARGAINING FROM AUGUST 1."

2. COMMENT: THUS, WORKERS' IMPATIENCE WITH WAGE CONTROLS, RESTIVENESS ABOUT UNEMPLOYMENT AND BITTERNESS OVER INFLATION WON OVER CONCERN ABOUT THE POLITICAL FUTURE OF THE LABOR GOVERNMENT (REFTEL). MOST OBSERVERS EXPECTED THAT JONES, THE DOMINANT FIGURE IN BRITISH TRADE UNIONISM FOR NEARLY A DECADE, WOULD PREVAIL. BUT RANK AND FILE PRESSURES AND PERHAPS TOO THE FACT THAT JONES IS A "LAME-DUCK" LEADER, WERE OVERWHELMING. THIS DEFEAT FOR THE GOVERNMENT FOLLOWING HARD ON A SIMILAR SETBACK AT THE HANDS OF THE NUM CONFERENCE YESTERDAY (REFTEL)
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WILL BE A BITTER PILL FOR PRIME MINISTER CALLAGHAN AND CHANCELLOR OF THE EXCHEQUER DENIS HEALEY TO SWALLOW. ONLY A SMALL MIRACLE WILL MAKE A PAY AGREEMENT BETWEEN THE TUC AND THE GOVERNMENT POSSIBLE NOW.

BREWSTER

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NNN

Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 06-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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